

## QUARTERLY REPORT SEPTEMBER 2018

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### ***Investment in Pantheon Resources Plc (“Pantheon”)***

#### **Tyler and Polk County (75% working interest) – Update on Gas processing**

Pantheon reported that the advance work to begin clearing trees from the right of way of the pipeline in Tyler County began on 21 August 2018. Guidance on timing for completion of the gathering line connecting VOS#1 to the nearby Enterprise pipeline has not changed with first production targeted for October 2018.

#### **Appointment of expert technical consultant**

Pantheon was delighted to announce the appointment of Professor Dr. Eric van Oort as a technical consultant to the company.

Prof. Dr. van Oort is considered to be a leading expert in certain drilling disciplines directly relevant to our asset base. Pantheon has repeatedly stated its belief in the geological potential of our acreage, with the issues experienced to date largely operational.

This appointment should help address the operational challenges that have occurred during the drilling of some previous wells. Pantheon believes the combined expertise of Sierra Hamilton technical consultants, Prof. Dr. van Oort and Art Berman will serve to advance the project, and the interests of all shareholders, as we move forward.

### **Strategic Review**

On 16 July 2018, Pantheon announced that following the recent death of Bobby Gray, the principal of Vision Resources (“Vision”), Pantheon has commenced a strategic review of its Tyler & Polk County project.

Pantheon confirmed that negotiations with the Estate of Bobby Gray, following his passing in June 2018, are at an advanced stage as Pantheon seeks to increase its working interest in the project to 100% and thereby assume full control and operatorship of the asset. The intended terms of any such agreement with the Estate are expected to be largely as outlined in the RNS issued by Pantheon dated 7 August 2018.

Pantheon is seeking to formalise an agreement with Mr. Gray’s family in a sensitive and fair manner and will of course update shareholders as and when these negotiations conclude.

In parallel with the negotiations with the Estate, Pantheon is in discussions with a view to concluding a farm-out of the Company’s Polk and Tyler County assets. Technical due diligence is presently under way with one party having progressed to a discussion of commercial considerations. As previously reported, the objective is for the farm-in partner to provide funding (and possibly

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operatorship if appropriate) for drilling operations in exchange for a working interest in the project. The Board will notify shareholders as appropriate as these negotiations move towards a conclusion.

### **SUMMARY OF ACTIVITY**

The Board of Argo continues to review a number of new projects to augment its investment in Pantheon but has yet to find a project that has the potential on a risk/reward basis that compares favorably to the upcoming drilling program of Pantheon.

As at the end of the September 2018 quarter Argo did not hold any interest in exploration licences.

More details on Pantheon can be found on the Pantheon website [www.pantheonresources.com](http://www.pantheonresources.com)

### **CORPORATE**

Cash reserves at the end of the September 2018 quarter stood at \$21,000 with no secured debt while the value of the Pantheon Resources Plc investment as at end September 2018 was \$2.1 million.

The Board continues to review and evaluate potential corporate opportunities in the natural resource sector and is of the view that present market conditions will provide increased opportunities going forward at more sensible valuations than seen in recent years.

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### CORPORATE DIRECTORY

#### Board of Directors

Christopher Martin  
Justin Hondris  
Andrew Van Der Zwan

#### Joint Company Secretaries

Melanie Leydin  
Justin Mouchacca

#### Issued Share Capital

Argo Exploration Ltd has 182,970,000 ordinary shares currently on issue.

#### Registered Office

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Please direct shareholding enquiries to the share registry